

State of Alaska FY2008 Governor's Operating Budget

Department of Natural Resources DNR Facilities Rent and Chargeback Component Budget Summary

Component: DNR Facilities Rent and Chargeback

Contribution to Department's Mission

To account for funding of DNR facilities rent and chargebacks.

Core Services

Payment of the Public Building Fund (State Facilities) lease costs to the Department of Administration for our offices in the Atwood Building in Anchorage. DNR occupied this facility in FY00, and received base funding of \$1,268.6 GF in SLA00/CH19(HB112 Public Bldg Fund). In FY05 we received a \$29.0 GF transfer from the Governor's Office to support lease costs for the ACMP which was transferred to DNR under EO#106. In FY07 we received a \$12.0 GF increase to the base. In FY08 we request an additional \$164.3 GF based on DOA's estimate of our lease costs for the same amount of space. This results in a \$1,473.9 GF base for FY08; divisions pay the remaining costs directly from their budgets.

Payment to the Department of Administration for all other DNR building leases. General fund in the amount of \$747.2 was transferred to DNR in FY05 to pay a portion of this cost. With a \$36.0 increase for FY07 and a \$33.2 GF increase requested in FY08, the base is \$816.4; divisions pay the remaining costs directly from their budgets.

Payment of the Fairbanks Office Building Chargeback costs to Dept. of Transportation for basic maintenance of the facility. \$103.6 GF was transferred in FY05 from the Fairbanks Office Building Chargeback component. An FY07 increment of \$46.4 brings the base amount for the RSA to \$150.0 which marginally covers the basic costs.

Payment of DNR's allocated share of the Department of Administration, Division of General Services Lease Administration costs.

General fund in the amount of \$33.7 was transferred to DNR in FY05 to pay a portion of the DOA Division of Personnel lease cost. This general fund is transferred to the Human Resources Chargeback component in FY07 to reflect where the RSA is actually paid.

FY2008 Resources Allocated to Achieve Results

FY2008 Component Budget: \$2,528,100	Personnel:	
	Full time	0
	Part time	0
	Total	0

Key Component Challenges

DNR's significant challenge in this component is a shortfall of general fund available for lease costs for the Public Building Fund and other building leases.

The key challenge for the lease costs related to the Public Building Fund is the fact that each year the square foot cost increases and there have not been corresponding budget increases. From FY03 to FY08 there has been a 27.8% increase in the cost, with little general fund increase to support it. All additional square footage charges must be assessed to the divisions.

DNR's square footage cost history for the Atwood Building:

FY03 \$1.1117/mo/sq.ft.

FY04 \$1.1609/mo/sq.ft., an increase of 4.4% over FY03.

FY05 \$1.2374/mo/sq.ft., an increase of 6.6% over FY04.

FY06 \$1.3016/mo/sq.ft., an increase of 5.2% over FY05.

FY07 \$1.3090/mo/sq.ft., an increase of 0.5% over FY06,

FY08 \$1.4203/mo/sq.ft., an increase of 8.5% over FY07, and a net increase of 27.8% since FY03.

The key challenge for the lease costs related to other building leases (not including the Atwood Bldg) is the annual increased cost of our leases and no corresponding budget increases. The base general fund transferred from DOA to DNR in FY05 to cover the other leases was \$747.2. An FY07 GF increase of \$36.0 brings the base to \$783.2. With a requested increment of \$33.2 for FY08, the base will be \$816.4. The estimated cost will be \$1,748.9 requiring divisions to pay \$932.5 of their leases.

Significant Changes in Results to be Delivered in FY2008

No changes in final results delivered.

Major Component Accomplishments in 2006

All rents and chargebacks were paid in a timely manner.

Statutory and Regulatory Authority

Not applicable.

Contact Information
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**DNR Facilities Rent and Chargeback
Component Financial Summary**

All dollars shown in thousands

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	2,194.0	2,290.6	2,528.1
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	2,194.0	2,290.6	2,528.1
Funding Sources:			
1004 General Fund Receipts	2,194.0	2,290.6	2,528.1
Funding Totals	2,194.0	2,290.6	2,528.1

**Summary of Component Budget Changes
From FY2007 Management Plan to FY2008 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2007 Management Plan	2,290.6	0.0	0.0	2,290.6
Proposed budget increases:				
-Projected Atwood Building Lease Increases for Existing Lease Space	164.3	0.0	0.0	164.3
-Projected Building Lease Increases (Non-Atwood leases) for Existing Lease Space	33.2	0.0	0.0	33.2
-Projected Cost Increases to DOA's Lease Administration RSA for Existing Service Levels	40.0	0.0	0.0	40.0
FY2008 Governor	2,528.1	0.0	0.0	2,528.1